PUBLIC DISCLOSURE

June 1, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

World Financial Capital Bank
Certificate Number 57570

2855 East Cottonwood Parkway, Suite 100
Salt Lake City, Utah 84121

Federal Deposit Insurance Corporation
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Chicago, IL 60606

NOTE: **This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.**

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GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires each federal financial supervisory agency to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the agency must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **World Financial Capital Bank (WFCB), Salt Lake City, Utah,** prepared by the **Federal Deposit Insurance Corporation (FDIC)**, the institution's supervisory agency, as of **June 1, 2010**. The agency rates the CRA performance of an institution consistent with the provisions set forth in Appendix A to 12 CFR Part 345.

INSTITUTION RATING

INSTITUTION'S CRA RATING: This institution is rated **Satisfactory.**

The Lending Test is rated: Satisfactory
The Community Development Test is rated: Satisfactory

The evaluation of WFCB's CRA performance depicts a satisfactory record of meeting the credit and other needs of its assessment area (AA). This rating is supported by the following conclusions:

Lending Test

- WFCB's average net loan-to-deposit (ANLTD) ratio is reasonable given WFCB's size, financial condition, and AA credit needs.
- A substantial majority of originated loans were geographically located outside the AA, this activity is commensurate with the bank's nationwide lending focus and business strategy.
- The borrower profile analysis reflects a reasonable penetration among individuals of different income levels given AA demographics, business strategy, and nationwide lending focus.
- The geographic distribution analysis reflects a reasonable dispersion of loans given the limited volume of lending within the AA. No unexplained lending gaps were identified.
- There were no CRA-related complaints.

Community Development (CD) Test

Overall, CD performance demonstrates satisfactory responsiveness to the community credit needs, as indicated below.

- Qualified CD investments and donations demonstrate an excellent responsiveness to the credit needs of the AA. Qualified investments and donations total almost $6 million and represent 1 percent of total assets and 2 percent of average assets over the review period.
- CD services demonstrate an excellent responsiveness to the credit needs of the AA. Employees and senior management have volunteered over 780 hours in qualified CD activities on behalf of the bank utilizing their financial expertise.

- Qualified CD lending demonstrates a poor responsiveness to the credit needs of the AA. WFCB has not extended any CD loans due to a lack of expertise for this type of lending; however, many of the investments and services involve entities that provide direct lending to low- and moderate-income borrowers or small businesses.

SCOPE OF EXAMINATION

This evaluation utilizes the interagency examination procedures for intermediate small institutions. An "Intermediate Small Institution" means a small institution with assets of at least $274 million as of December 31 of both of the prior 2 calendar years, and less than $1.098 billion as of December 31 of either of the prior 2 calendar years.

To assess WFCB's performance with respect to these procedures, the following five lending performance criteria were analyzed: The ANLTD ratio, the level of lending within the AA, the distribution of lending consumers of different income levels (borrower profile), the geographic distribution of loans, and responses to any consumer complaints regarding its CRA performance. In addition to the lending performance criteria, the institution's responsiveness to AA needs through CD loans, services, and investments was analyzed.

This evaluation reflects WFCB's CRA performance since the previous CRA Performance Evaluation, dated October 17, 2005. It uses records and reports provided by WFCB, publicly available information, demographic data, and information gathered as part of the evaluation process, including recent community contacts. Additional factors analyzed included competitive factors, loan demand in the AA, and WFCB's business focus. Examiners evaluated WFCB's CRA performance in the context of the following factors:

- Current economic environment
- Demographic characteristics of the AA
- Lending opportunities within the AA
- Financial resources and constraints
- Product offerings and business strategy
- Information derived from community contacts
- Performance of similarly situated institutions, and the
- CD needs within the AA

The CRA regulation requires, when applicable, the evaluation of home mortgage, small farm, and small business lending during each CRA evaluation. WFCB does not offer these loan product types. As such, an analysis of home mortgage, small business, or small farm lending was not included in this CRA evaluation. Due to WFCB's status as a nationwide lender, the CD test is given considerably more weight in the bank's CRA Performance Evaluation.

DESCRIPTION OF INSTITUTION

WFCB is a Utah chartered industrial bank that opened for business on December 1, 2003, and operates a sole, non-retail office with a small on-site staff including three executive officers. Office hours are Monday through Friday from 8:00 a.m. to 5:00 p.m. and closed on federal holidays. WFCB is a wholly owned subsidiary of Alliance Data Systems Corporation (ADS) headquartered in Dallas, Texas. ADS owns another financial institution, World Financial Network National Bank (WFNNB) in Columbus, Ohio, a Competitive Equality Banking Act special purpose credit card bank chartered in 1989. WFCB's primary business is funding unsecured private label revolving consumer and commercial credit cards issued through national and regional retailers (client partners). WFCB does not solicit or accept walk-in community banking business, maintain automatic teller machines (ATMs), or offer a wide-range of loan and deposit products as do more typical retail banks. Credit products are marketed primarily through WFCB's client partners. Deposits are acquired exclusively through brokers and are not offered to the general public.

The Consolidated Report of Condition and Income (Call Report) as of March 31, 2010, shows the bank with $513 million in total assets. Total loans and leases are $400 million (or 78 percent) of total assets. As detailed in Table 1, WFCB is primarily a consumer credit card lender. This segment comprises 95 percent of total loans. Other consumer revolving credit plans represent 3 percent, and commercial and industrial loans are 2 percent of total loans.

Table 1 - Composition of Loan Portfolio	Dollar Amount ($000s)	Percent of Total Loans(%)
Commercial and industrial loans	7,687	2
Credit Cards	379,371	95
Other revolving credit plans	13,244	3
TOTAL LOANS	**400,302**	**100**

Source: Call Report for March 31, 2010

This evaluation is the second CRA evaluation performed for WFCB; the first evaluation rated bank performance as "Satisfactory" under the interagency small bank performance standards in October 2005. No legal or financial impediments exist that would prohibit WFCB from meeting the credit needs of its community.

DESCRIPTION OF ASSESSMENT AREA

Salt Lake County, Utah Demographic Information

WFCB has defined its AA as Salt Lake County, which contains the largest population concentration in Utah. Salt Lake City, is the largest city in the county followed by 15 cities and 6 townships including West Valley, Sandy, West Jordan, Taylorsville, Murray, Cottonwood Heights, and South Jordan. As of 2009, Salt Lake County had over 1 million residents. Table 2 shows key demographic information for Salt Lake County, per the U.S. Census Data.

Table 2 - Salt Lake County Demographics					
Demographic Characteristics	**#**	**Low % of #**	**Moderate % of #**	**Middle % of #**	**Upper % of #**
Geographies (Census Tracts)	193	3	22	47	28
Population by Geography	898,387	1	23	49	27
Owner-Occupied Housing by Geography	203,690	0	17	52	31
Business by Geography	109,522	8	22	41	29
Farms by Geography	1,591	4	18	44	34
Family Distribution by Income Level	215,864	17	20	25	38
Distribution of low- to moderate-income Families throughout AA Geographies	79,691	3	22	47	28
Median Family Income (MFI)		$54,586	Median Housing Value		$165,698
Housing and Urban Development (HUD) Adjusted MFI for 2009		$67,800	3rd Quarter 2009 Unemployment Rate		6%
Households Below Poverty Level		8%			

Source: 2000 U.S. Census, HUD updated – 2009 and 2009 D&B Data, and Haver Analytics

Economy

According to Moody's Economy of December 2009, the recession is moderating in Salt Lake City. Job losses continue, but have slowed compared to the beginning of 2009. Financial services are expected to experience a steady expansion in the long-term, because of low business costs and an educated workforce. The short-term will continue to experience job losses due to consolidations. Unlike the rest of the country, a major driver of job growth during recovery and expansion will be manufacturing. Existing manufacturing industries have held up well primarily because they are focused on high-tech and medical equipment. Unemployment is not expected to reach its peak until third quarter 2010, but will remain far below the national average. Construction, professional/business services, and manufacturing will lead economic improvement in the AA.

Competitive Environment

According to the June 30, 2009, FDIC Summary of Deposits, there was a total of 54 FDIC-insured financial institutions with offices or branches located in Salt Lake County. WFCB ranked 27th in deposit market share, holding $226 million in deposits or almost 1 percent of the county's approximately $282 billion in total deposits.

Community Contact

Information obtained from community contacts is used to evaluate the bank's CRA performance. An interview with an individual involved with a private, non-profit, CD organization in Salt Lake County was conducted as part of this examination. The interviewee stated that the local economic conditions, particularly the financial institution sector, have been uncertain. The contact indicated that there is a need for more economical housing in the community. The contact stated that financial institutions need to work with community organizations to be creative in providing affordable financing. Additionally, the contact stated that financial institutions should provide management support to entrepreneurs who are unable to access traditional sources of financing, particularly those who are socially and/or economically disadvantaged. The interviewee stated that considering the current state of economic condition, the overall banking and credit needs of the area were being met by the local financial institutions.

This individual was unaware of any discriminatory practices by any of the local financial institutions against any protected classes or minority groups, or any complaints about local banks.

Needs Assessment

WFCB regularly conducts a "needs assessment" within its AA. The most recent assessment of April 27, 2010, determined that the following are some of the more prominent needs for the AA:

- Affordable housing
- Support/contributions for Utah's Individual Development Accounts (IDA)
- Non-traditional funding/counseling for business start-ups and expansions
- Financial education and literacy programs
- Subsistence needs for the homeless population
- After-school programs for youth/students
- Medical care for the homeless and low- and moderate-income individuals

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

The Lending Test is rated: Satisfactory

WFCB's consumer credit card lending is extended nationwide. Because of this, the ratio of lending in- and out-side of the AA, the geographic distribution of loans, and borrower-income profile analysis provide limited meaningful information. However, each of these factors will be briefly addressed with respect to the AA. Nevertheless, these criteria carry little weight in determining the bank's overall CRA performance rating. Instead, evaluation of WFCB's CD activities will largely determine the overall rating.

Loan-to-Deposit Ratio

The general purpose of CRA is to encourage banks to meet the credit needs of individuals and businesses located within a bank's designated AA. To determine the extent of lending activity, a bank's LTD ratio is analyzed. This ratio measures the relationship of funds deposited in a bank to funds loaned out. WFCB loans are primarily funded via the bank's brokered deposits.

WFCB's quarterly ANLTD ratio, based on 18 quarters since the previous evaluation, is 107 percent. This ratio is reasonable given the institution's size and financial condition. The loan-to-deposit ratio ranged from a quarter-end high of 142 percent as of March 31, 2008, to a quarter-end low of 26 percent as of September 30, 2008. The decrease was attributed to a first time securitization of accounts receivable of about $150 million. By December 31, 2008, the ratio had quickly increased to 86 percent as a result of the purchase of new loan portfolio. The loan-to-deposit ratio further increased to 108 percent as of March 31, 2010. This increase was attributed to a change in financial accounting standards requiring that securitized assets be recorded on the balance sheet. WFCB's ANLTD ratio was compared to the ratio of another similarly situated institution in the AA. The two institutions showed identical overall ANLTD ratios over the same period.

AA Concentration

WFCB does not originate a majority of its loans within its AA. However, the overall lending penetration level is reasonable, given the nationwide lending focus. WFCB originated 710,191 consumer credit card loans between June 1, 2009, and May 31, 2010, totaling $134 million. Of these, 1,167 (0.2 percent) loans totaling $160,000 (0.1 percent) were originated to borrowers located in the AA. Many of these revolving credits have small dollar limits. None of WFCB's strategic partners are located within Utah; consequently, no commercial credit cards were issued within the AA.

Borrower Profile

The distribution of borrowers reflects a reasonable penetration among individuals of different income levels, given the demographics of the AA and the performance context of the bank. Of the 1,167 consumer loans located in the AA, a sample of 161 loans was reviewed for this evaluation. There were 16 loans (or 10 percent) made to low-income borrowers. Moderate-income borrowers received 74 loans (46 percent). Also, middle-income borrowers received 37 percent of the originations and upper-income borrowers received 7 percent. This performance compares favorably to the 2000 U.S. Census Data population of the AA where 1 percent of the population is low-income and 23 percent are moderate-income.

Due to the current economic downturn, WFCB has instituted a hardship program that provides specific allowances for delinquent customers. There is a 6-month and a 12-month program, and eligibility is determined by a specific set of parameters (qualifying life events) based on the customer's situation and need. The program was instituted in July 2009, and since inception, 7,637 customers have benefitted from acceptance into the program.

Geographic Distribution

Based on the aforementioned sample, the geographic distribution of consumer credit cards reflects a reasonable dispersion throughout the AA given the nationwide lending focus, narrow product line, economic conditions of the AA, and target market. There were 3 loans (2 percent) originated in low-income areas. Originations in moderate-income areas totaled 44 loans (27 percent.) There was also 79 loans (49 percent) made in middle-income tracts and 31 loans (19 percent) originated in upper-income geographies. This performance is reasonable when compared to the distribution of the 2000 U.S. Census Data regarding the census tracts located in the AA where 3 percent are low-income and 22 percent are middle-income census tracts.

Response to CRA Related Complaints

A review of FDIC records, as well as the bank's CRA public file, did not reveal any complaints relating to the bank's CRA performance since the previous evaluation. Therefore, this factor was not considered in determining the overall CRA rating.

COMMUNITY DEVELOPMENT TEST

CD test is rated: Satisfactory.

WFCB's CD performance demonstrates an adequate responsiveness to CD needs in the AA through CD investments and services, as appropriate, considering the bank's capacity and the needs and availability of such opportunities for CD in the AA. While the bank's CD lending demonstrates a poor responsiveness to the credit needs of the AA, WFCB compensates for this by selecting investments in, and providing services for, organizations directly involved in lending to low- and moderate-income borrowers and small businesses that may not qualify for traditional business credit.

Overall, the CD activities reviewed during this evaluation assist in meeting the needs for affordable housing, small loans, financial education, small business consultation, IDA assistance, revitalization, and stabilization of low- to moderate-income areas and other areas designated for redevelopment.

CD Investments, Grants, and Donations

CD investments and donations demonstrate excellent responsiveness to the credit needs of the AA over the review period from October 17, 2005, to the current evaluation. Qualified investments and donations total almost $6 million. This performance equates to over 1 percent of total assets and over 2 percent of average assets over the review period (average assets for the past 18 quarters from the 2005 evaluation through March 31, 2010, or $275 million). WFCB purchased 7 qualified investments and provided over 50 donations to 17 qualified organizations since the prior CRA evaluation. Over 99 percent of the total dollars invested/donated were to support low- and moderate-income individuals and families; provide and support affordable housing; provide non-traditional small business financing; support small business and individual credit counseling; and stabilize and revitalize the institution's AA.

Based on the bank's resources, business strategies, and opportunities that are available in the AA for qualified investments, this performance is excellent. Table 3 (next page) summarizes the dollar volume of total qualified new investments and donations by type during the year of the initial investment. Also included is $12,000 in qualified carryover from the previous review period. Furthermore, the table exhibits WFCB's responsiveness to the needs of the AA as determined by its own community needs assessment that conducted in April 2010, as well as the community contact conducted at this evaluation.

Table 3 - Qualified CD Investments, Grants, and Donations							
Qualifying Investment per Needs Assessment & Community Contact	**2005 $ (000s)**	**2006 $ (000s)**	**2007 $ (000s)**	**2008 $ (000s)**	**2009 $ (000s)**	**2010 $ (000s)**	**TOTAL $ (000s)**
Affordable Housing	0	1,001	44	44	42	2,288	3,419
Financial Education & Literacy / IDA Support	0	15	18	25	98	32	188
Economic Development through Non-traditional Small Business Lending, Revitalization, or Stabilization	100	102	113	109	1,141	647*	2,212
Total Investments & Donations	**100**	**1,118**	**175**	**178**	**1,281**	**2,967**	**5,819**
Total Inside AA	0	1,018	75	78	1,119	2,853	5,143
Total Outside AA	100	100	100	100	162	114	676
Total	**100**	**1,118**	**175**	**178**	**1,281**	**2,967**	**5,819**

Source: Bank records **Includes $12,000 in allowable carryover from the preceding evaluation review period*

The following examples highlight some of WFCB's qualified investments:

- WFCB purchased a $100,000 certificate of deposit from a minority-owned bank in New Orleans, which helped in the aftermath of Katrina. This has been renewed every year since its inception in October 21, 2005.

- WFCB invested $500,000 in a "CRA Qualified Investment Fund" (a nationwide mutual fund) with the investment allocated to AA Housing Bonds. Nearly 65 percent of the borrowers were low- and moderate-income borrowers. Dividends were reinvested in the fund in successive years. An additional investment of almost $2 million occurred March 16, 2010. The allocations included over $1 million of a Real Estate Mortgage Investment Corporation Trust, secured by a care center nursing home facility in the AA (82 units) created to serve the needs of low- and moderate-income individuals with developmental disabilities. Their incomes do not exceed 23 percent of the area median income.

- WFCB invested $491,000 in qualified mortgage-backed securities (MBS) on March 29, 2006, and made another investment of $1 million in MBS on March 26, 2010. The underlying mortgages were in the AA or in the larger regional area that included the AA. All underlying mortgages were originated to low- and moderate-income borrowers.

- WFCB invested $1 million in a CD Financial Institutions Fund on May 11, 2009. The fund's mission is to provide financial services and promote economic development in underserved populations and communities throughout the nation, primarily by providing capital for low-income individuals and communities, and supporting permanent job creation and/or retention. By the end of 2009 the fund held approximately 525 loans and created/retained over 9,200 jobs, many of which were staffed by low- and moderate-income persons. Two loans totaling $1 million in the AA have been allocated to WFCB.

- WCFB participates in a local microenterprise loan fund with $12,000 in carryover from the previous evaluation period, plus additional provisions of $25,000 on April 1, 2009, and $88,000 on April 23, 2010. This fund provides start-up and ongoing financing for small businesses who cannot obtain traditional financing elsewhere. These are usually small dollar loans (less than $25,000).

- WCFB donated $44,000 to an entity that uses creative financing to build/develop affordable housing (live/work townhomes), primarily for low- and moderate-income artists who require affordable combined studio/living areas. Some spaces have also been provided to other non-profit entities at below-market rents. Most of the properties have been in geographies designated for redevelopment and rehabilitation.

- WCFB donated $52,000 to an entity for operating funds and supplies to further the financial literacy development of Utah's children. The funds were directly allocated to specific Title One schools within the AA.

- WCFB donated $38,000 to a fair credit foundation to support the IDA program within Utah. The IDA program allows matching funds (for savings accounts) to be provided for individuals saving explicitly for a home, education, or to start a business.

- WCFB donated $88,000 to a nationwide consumer credit counseling service that provides consumer credit counseling and financial literacy and accountability. Approximately $12,000 of this amount was allocated to the Utah offices.

CD Services

WFCB has shown an excellent level of participation in CD services in the AA. The CRA regulation defines a CD service as "a service that has as its primary purpose CD, is related to the provision of financial services, has not been considered in the evaluation of the bank's retail banking services, benefits the bank's AA, and has not been claimed by another affiliated institution."

A total of seven officers and employees provided board or committee membership and/or financial expertise to five non-profit organizations involved in the provision of small business education, credit counseling, savings programs, and other social services to low- and moderate-income families and individuals. All activities supported the AA or greater regional area that included the AA.

Table 4 details WFCB's CD service involvement and responsiveness to its needs assessment conducted in April 2010, and the community contact conducted at this evaluation. Over 780 hours were spent in qualified service activities. Of note are the following service activities which constitute 87 percent of total qualified service hours:

- 368 hours spent teaching financial literacy
- 178 hours spent in qualifying loan applications (through loan committee participation) to small businesses that were unable to obtain financing from traditional sources
- 136 hours spent in the provision of counseling/financial literacy to small business owners and potential small business owners

Table 4 - Qualified CD Service Hours by Year

Qualifying Services	2005	2006	2007	2008	2009	2010	Total
Financial Literacy for individuals and small businesses	15	129	94	135	98	111	582
Support for Utah's IDA and other Community Services	0	0	7	5	5	6	23
Economic Development and Revitalization/Stabilization through partnering with a non-traditional small business lender	9	27	32	50	38	22	178
Total Service Hours	**24**	**156**	**133**	**190**	**141**	**139**	**783**

Source: Bank records

CD Lending

Qualified CD lending demonstrates a poor responsiveness to the credit needs of the AA. WFCB has not extended any CD loans due to a lack of expertise for this type of lending; however, many of the investments and services involve entities that provide direct lending to low- and moderate-income borrowers or small businesses.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping meet community credit needs was identified.

GENERAL DEFINITIONS

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area (AA).

Area Median Income: The median family income (MFI) for the metropolitan statistical area (MSA), if a person or geography is located in an MSA; or the statewide non-metropolitan MFI, if a person or geography is located outside an MSA.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract (CT) boundaries do not cross county lines; however, they may cross the boundaries of MSA's. CTs usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. CTs are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: (1) Affordable housing (including multifamily rental housing) for low- and moderate-income (LMI) individuals; (2) community services targeted at LMI individuals; (3) activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, (4) activities that revitalize or stabilize: (i) LMI geographies; (ii) Designated disaster areas; or (iii) Distressed or underserved non-metropolitan middle-income geographies designated by the agencies, based on

a. Rates of poverty, unemployment, and population loss; or

b. Population size, density, and dispersion.

Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of LMI individuals.

Community Development Corporation (CDC): A CDC allows banks and holding companies to make equity types of investments in community development projects. Bank CDCs can develop innovative debt instruments or provide near-equity investments tailored to the development needs of the community as well as to the financial and marketing needs of the bank. A CDC may purchase, own, rehabilitate, construct, manage, and sell real property. Also, it may make equity or debt investments in development projects and in local businesses. The CDC activities are expected to directly benefit LMI groups, and the investment dollars should not represent an undue risk on the banking organization.

Community Development Financial Institutions (CDFIs): CDFIs are private intermediaries (either for profit or non-profit) with community development as their primary mission. A CDFI facilitates the flow of lending and investment capital into distressed communities and to individuals who have been unable to take advantage of the services offered by traditional financial institutions. Some basic types of CDFIs include community development banks, community development loan funds, community development credit unions, micro-enterprise funds, and community development venture capital funds. A certified CDFI must meet eligibility requirements, which include: having a primary mission of promoting community development; serving an investment area or target population; providing development services; maintaining accountability to residents of its investment area or targeted population through representation on its governing Board of Directors, or by other means; and not constituting an agency or instrumentality of the United States, of any state or political subdivision of a state.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into the following below:

- Male householder (A family with a male householder and no wife present) or
- Female householder (A family with a female householder and no husband present)

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A CT delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a MSA to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes, and refinancing of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

HUD Adjusted Income Data: The U.S. Department of Housing and Urban Development (HUD) issues annual estimates that update MFI from the metropolitan and non-metropolitan areas. HUD starts with the most recent U.S. Census data and factors in information from other sources to arrive at an annual estimate that more closely reflects current economic conditions.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a MFI that is less than 50 percent, in the case of geography.

Low Income Housing Tax Credits: The Low-Income Housing Tax Credit Program is a housing program contained within the Internal Revenue Code of 1986, as amended, which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The U.S. Treasury Department, through the Internal Revenue Service, distributes low-income housing tax credits to housing credit agencies. The housing agencies allocate tax credits on a competitive basis. Developers who acquire, rehabilitate, or construct low-income rental housing may keep their tax credits or sell them to corporations or investor groups, who, as owners of these properties, will be able to reduce their own federal tax payments. The credit can be claimed annually for 10 consecutive years. For a project to be eligible, the developer must set aside a specific percentage of units for occupancy by low-income residents. The set-aside requirement remains in place throughout the compliance period, usually 30 years.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/AA.

Median Income: The median income divides the income distribution into two equal parts, one having incomes above the median and the other having incomes below the median.

Metropolitan area (MA): A MSA or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million persons may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a MFI that is at least 80 percent and less than 120 percent, in the case of geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a MFI that is at least 50 percent and less than 80 percent, in the case of geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

Non-Metropolitan Area: All areas outside of MAs. The definition of non-metropolitan area is not consistent with the definition of rural areas. Urban and rural classifications cut across the other hierarchies; for example, there is generally both urban and rural territory within both metropolitan and non-metropolitan areas.

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate MA. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate MA, the institution will receive a rating for the multistate MA.

Small loan(s) to business (es): A loan included in 'loans to small businesses' as defined in the

Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are secured either by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as non-mortgage, commercial loans.

Small loan(s) to farm(s): A loan included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a MFI that is more than 120 percent, in the case of geography.